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**USTR Charlene Barshefsky Highlights Clinton Administration  
2000 Trade Policy Agenda and 1999 Annual Report**

Today, President Clinton transmitted to Congress the 2000 Trade Policy Agenda and the 1999 Annual Report of the President of the United States on the Trade Agreements Program. The report outlines the Clinton Administration's trade policy priorities for the year ahead, reviews the principal trade policy actions and accomplishments of the past seven years, and includes a special report on the World Trade Organization (WTO).

United States Trade Representative Charlene Barshefsky unveiled the report today at a speech at the Johns Hopkins School of Advanced International Studies (SAIS) in Washington, D.C.

"The start of a new century marks over 50 years of American leadership toward a more open, fair and free world economy," said Ambassador Barshefsky. "The Clinton Administration's commitment to trade and to participation in the global marketplace has played a critical role in the continued strength of the U.S. economy and the longest peacetime economic expansion in U.S. history. This report underscores the importance of our market-opening agenda and its success in promoting economic growth, development and rising standards of living for Americans and for our trading partners."

This year's report contains a special report on the WTO required by the Uruguay Round Agreements Act, the legislation that created the WTO in 1995. The special report provides a comprehensive review of the WTO's record, including its role in expanding export opportunities for U.S. manufacturers, farmers and service providers, establishing a framework of rules that safeguard Americans against discriminatory and unfair trade practices; creating a strong dispute settlement mechanism, strengthening our ability to enforce our trading partners' commitments, and extending WTO rules for the first time to agriculture, intellectual property and services; and spurring growth and investment in high-tech areas such as telecommunications and information technology where Americans excel.

“Our participation and leadership in the WTO is critical to our continued economic growth” said Ambassador Barshefsky. “As President Clinton recently said, there is no substitute for the confidence and credibility the WTO offers the world as trade grows. Our membership in the WTO opens world markets to our goods and services, and helps us take advantage of our competitiveness in agriculture, manufacturing and high-tech industries. It advances the rule of law in commerce, and promotes stability during economic crisis.

“While we believe that the WTO is fulfilling its mission of advancing America’s competitiveness in agriculture, manufacturing, and high-technology industries and raising living standards, we agree that the system can be improved. We will continue to urge the WTO to take certain steps to improve the organization and to increase the benefits it provides to members. These measures include: reforming the WTO to improve its transparency and accessibility to civil society; ensuring that the WTO contributes to our work to promote environmental protection and internationally recognized core labor standards world-wide; and improving the dispute settlement process to increase its transparency and openness. It is only through openness and willingness to listen to its critics that the trading system will retain the broad support of the public and its member governments.”

Ambassador Barshefsky noted that since 1992, the United States has negotiated nearly 300 separate trade agreements, including six of truly historic importance: the North American Free Trade Agreement, through which American exports to Canada have increased by \$100 billion, and exports to Mexico have doubled making it our second largest trading partner, after Canada; the Uruguay Round, which created the WTO; the Information Technology (IT) Agreement, in which 40 countries eliminated import duties and other charges on IT products representing more than 90 percent of the telecommunications market; the Financial Services Agreement, which has helped U.S. service suppliers expand commercial operations and find new market opportunities around the world; the Basic Telecommunications Agreement, which opened up 95 percent of the world telecommunications market to competition; and our bilateral agreement on China’s WTO accession, which would open the largest economy in the world to American products and services.

The report also includes an annex listing trade agreements entered into by the United States since 1984 that afford increased market access or reduce barriers and other trade distorting policies by other countries.

“This year, we will work with Congress in seeking permanent Normal Trade Relations with China, ensuring continued U.S. participation in the WTO and passage of the Africa Growth and Opportunity Act and the Caribbean Basin Initiative,” said Ambassador Barshefsky. “Our agenda for the year 2000 builds upon our achievements of the past seven years and ranges from opening negotiations on agriculture and services as mandated by the Uruguay Round Agreement of 1994, to implementing and enforcing existing agreements. In addition, we will strive for continued progress on technology initiatives and on negotiations for the Free Trade Area of the Americas.”

Highlights of the 2000 Agenda and 1999 Annual Report include:

- o Five Years of WTO Membership: As Congress prepares to assess five years of U.S. membership in the WTO, the remarkable number of jobs created by international trade shows how valuable the WTO is to our country. WTO membership guarantees American producers of goods and services access to markets world wide, promotes sustainable development and strengthens peace. In addition, participation in the WTO helps to advance America's competitiveness in agriculture, manufacturing, and high-technology industries, advances the rule of law in commerce, and promotes stability in economic crisis. The WTO promotes global economic stability, enhancing our ability to address economic crises, and has created an effective mechanism for the settlement of trade disputes between members. The United States has prevailed in 23 of the 25 complaints it has brought thus far, either through successful settlement or panel victory.
  - o WTO Accessions: Ten years after the fall of the Berlin Wall, the transition economies – those nations in Asia and Central and Eastern Europe making the transition from communist central planning regimes to market economies – have made significant progress, and this owes a great deal to our work in the WTO. Since 1995, more than 10 transition economies have acceded to the WTO, with several more soon to follow. They have all, without exception, found that the WTO's principles of transparency, open markets and rule of law have helped economic reform succeed.
  - o Historic Bilateral Market Access Agreement with China: In November 1999, after years of negotiation, the United States reached a bilateral agreement with China on WTO accession. It secures broad-ranging, comprehensive, one-way trade concessions by China, granting the United States substantially greater market access across the spectrum of industrial goods, services and agriculture. The agreement strengthens our guarantees of fair trade and gives us the ability to enforce Chinese trade commitments. By contrast, we agree only to maintain the market access policies we already apply to China, and have for more than 20 years, by making China's current Normal Trade Relations status permanent.
- A new and fundamentally improved trade relationship with China, the world's largest country, offers practical, concrete benefits to communities throughout America: stronger guarantees of fairness for our working people and businesses; new export opportunities that will lead to U.S. jobs and economic growth. This agreement marks a decisive step toward deeper and swifter reform within China, strengthening the rule of law, and offers new opportunities and hope for a better life to hundreds of millions Chinese people.
- o U.S.-China Bilateral Agricultural Agreement: Signed in April 1999, our Agreement on Agricultural Cooperation lifted longstanding bans on exports of American citrus, meats and Pacific Northwest wheat, which were imposed without a sound scientific basis.

o Progress on Environmental Initiatives: Since 1993, the Administration has shown a strong commitment to promoting improved global environmental protection through trade, including creation of the environmental side agreements to the NAFTA, which created bilateral and trilateral institutions that enhance hemispheric environmental cooperation and address pollution problems along the U.S.-Mexico border, and the creation of a WTO standing committee on trade and the environment in 1994. In 1999, continued U.S. leadership on environmental issues resulted in the first-ever WTO High-Level Symposium on Trade and Environment in Geneva, and the encouragement of closer collaboration between the WTO and the United Nations Environmental Program, which reached a cooperation framework agreement in December 1999. In addition, in November 1999 President Clinton signed an executive order to require environmental reviews of certain trade agreements. USTR will work with the Council on Environmental Quality, the Environmental Protection Agency and others in the administration, on implementing guide lines for the executive order and will establish an inclusive process for bringing environmental views into the regulatory process.

o Trade and Labor: The Clinton Administration worked diligently to develop trade policy that complements and supports efforts to ensure respect for internationally recognized core labor standards. In the year ahead, the Administration will continue the effort to focus the WTO's attention on the relationship between trade and labor, building on the 1996 Singapore WTO Ministerial declaration for the creation of a WTO working group on trade and labor in conjunction with cooperative work with the International Labor Organization.

o Transparency and Dispute Settlement: U.S. trade policy has sought to advance basic American concepts of good governance, by making the institutions of trade more transparent, accessible and responsive to citizens, including new voices. We have made a standing offer to open to the public any dispute settlement proceeding involving the U.S., if the other party to the dispute agrees. It is currently the practice of the United States to make WTO decisions available to the public as soon as they are available.

o Information Technology Agreement (ITA). In 1997, 40 countries agreed to eliminate import duties and other charges on information technology products, mostly by 2000. The agreement covers trade in more than \$600 billion worth of information technology products, such as computers and computer equipment, semiconductors, telecommunications equipment and software. Participants account for more than 90 percent of world trade in this sector. Since that time, as a result of Administration efforts, the number of participants has grown to 52. The ITA Committee established in the WTO provides a vehicle for addressing the hardware side of high technology/e-commerce related issues – potential expansion of ITA product coverage, addressing non-tariff measures such as standards issues, and tackling convergence – and setting a future agenda that is critical to long-term U.S. economic interests.

- o WTO electronic commerce agreement. A key accomplishment was agreement in the May 1998 WTO Ministerial Declaration on Electronic Commerce on the moratorium on tariffs on electronic transmissions. Since that time, no WTO Member has violated this consensus, and there exists general agreement among our trading partners that this moratorium should continue. Other principles put forward by the Administration for which there is wide support include the applicability of existing WTO rules to electronic commerce, and the need to avoid imposing unnecessary regulations on electronic commerce.
- o Successful implementation of WTO Basic Telecommunications Agreement. The 1997 WTO agreement negotiated by USTR ended the telecommunications monopoly era abroad and opened substantial business opportunities for U.S. companies and benefits to U.S. consumers. The agreement allowed U.S. firms to enter previously-closed markets in Europe, the Americas, Asia-Pacific and Africa. Exports of U.S. telecommunications and information technology equipment advanced at double-digit rates in many areas. The United States forcefully monitored and enforced implementation by trade partners and effectively used its statutory mandate (Section 1377 of the Trade Act) to roll back anti-competitive regulatory proposals and policies in Germany, Japan, Mexico and Taiwan.
- o Financial Services: The Financial Services Agreement, which became effective in March 1999 has already helped U.S. service suppliers to expand existing operations and find new market opportunities across a wide spectrum of developed country and emerging markets, through both investment in foreign banking institutions, brokerage and insurance sectors and cross-border trade. Growth potential for competitive U.S. financial services suppliers is high, including to help emerging markets modernize their financial services systems and to improve their infrastructure for trade in goods and services.
- o Monitoring and Enforcement: Since 1993, the Administration has devoted more attention and resources than ever before to monitoring and enforcing our trade agreements. To carry out this work as effectively as possible, in particular with the prospect of enforcing our bilateral agreement with China on WTO accessions, we have added new personnel to carry out a larger enforcement workload, and created a dedicated enforcement unit. In addition, the President's FY 2001 budget request will give USTR an additional \$1.3 million for monitoring and enforcing our trade agreements.
- o Africa. In 1999, the Administration signed Trade and Investment Framework Agreements (TIFAs) with South Africa and Ghana. In addition, the U.S. signed a TIFA with Nigeria in February 2000. The TIFAs will be used to address market access barriers to U.S. trade and investment and to identify means to expand and diversify trade between the United States and Sub-Saharan Africa. The U.S. trade agenda with Africa in 2000 will focus on continued efforts to ensure the passage of the African Growth and Opportunity Act and continued implementation of the President's Partnership for Economic Growth and Opportunity for Africa.

- o Caribbean Basin Initiative (CBI): The CBI is a key element of U.S. strategy for Central America and the Caribbean. We are working with Congress to enhance the CBI by extending its scope and product coverage. For 15 years, CBI has been fundamental to growth, economic diversification and strengthening trade ties with Central America and the Caribbean island nations. It has made a substantial contribution, in particular, to the support of peace in Central America and has helped to open markets in the region for \$19 billion in U.S. exports.
- o FTAA Negotiations: President Clinton and the 33 other democratically-elected leaders in the Western Hemisphere launched the negotiations for a Free Trade Area of the Americas (FTAA) at the Santiago Summit of the Americas meeting in April 1998. Since then, FTAA negotiating groups have prepared outlines of topics and draft texts (to be completed by April 2001) of the chapters to be covered in each area of the negotiations. In addition, FTAA Ministers in 1999 adopted a package of business facilitation measures, to be implemented this year, aimed at overcoming obstacles to doing business in the hemisphere by improving customs efficiency. The Trade Ministers welcomed the first report of the Committee of Government Representatives on the Participation of Civil Society which presents the range of views received by the Committee from individuals and non-governmental organizations in the hemisphere
- o Middle East: The Administration has developed an innovative set of duty-free programs to help stimulate investment, growth, and regional economic integration. In 1999, the Administration furthered our goal of promoting peace and regional stability in the Middle East by encouraging trade and investment relationships among Israel and its neighbors, including signing a TIFA with the Kingdom of Jordan and expanding the Qualifying Industrial Zones, through which the products of Israeli-Jordanian industrial projects employing nearly 10,000 people now receive duty-free treatment in the U.S.

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Note: Public copies of the 2000 Trade Policy Agenda and 1999 Annual Report will be available from the Office of Public Affairs, Room 103, at USTR. In addition, the report will be posted on the USTR Web site: [www.ustr.gov](http://www.ustr.gov).